

## Message Text

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PAGE 01 BONN 13640 220906Z  
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSCE-00 SP-02 EB-04 INR-05  
CIAE-00 SSO-00 INRE-00 /034 W  
-----129317 220909Z /17

O R 220855Z AUG 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 0816  
INFO USMISSION USBERLIN  
AMEMBASSY LONDON

C O N F I D E N T I A L BONN 13640

LIMDIS

E.O. 11652: GDS  
TAGS: EGEN, EINV, GW, WB, UK  
SUBJ: FORD ENGINE PLANT

REF: USBERLIN 2164

1. ECON/COMM MINISTER HAS DISCUSSED PROPOSED NEW FORD INVESTMENT IN EUROPE WITH SENIOR FORD COLOGNE OFFICIAL. OFFICIALS EXPLAINED THAT BERLIN SITE HAD BEEN GONE OVER WITH ECONOMIC MINISTRY AND BERLIN OFFICIALS. HE SAID FORD GERMANY HAD WANTED VERY MUCH TO HAVE PLANT IN BERLIN BECAUSE OF PUBLIC RELATIONS ADVANTAGES IN FRG MARKET. IN END IT APPEARED LABOR STABILITY AND OTHER FACTORS INSUFFICIENT TO OFFSET HIGHER GERMAN WAGES. FORD OFFICIAL SAID THERE WAS TILT IN FAVOR OF UK OR IRISH LOCATION ALTHOUGH HE EMPHASIZED NO FINAL DECISION YET MADE.

2. WE TOLD FORD WE UNDERSTOOD ULTIMATE DECISION WOULD HAVE TO BE MADE ON SOUND ECONOMIC BASIS BUT WE ALSO HAD A SPECIAL "POLITICAL" INTEREST IN SUPPORTING  
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THE BERLIN ECONOMY. WE POINTED OUT POSSIBILITY THAT CORPORATE TAX TRADE MIGHT STILL BE MORE FAVORABLE FOR US FIRMS IN BERLIN AS COMPARED WITH THE FRG ITSELF GIVEN THE VAGARIES OF NEW GERMAN CORPORATION TAX LEGISLATION.

3. ECONOFF CONFIRMED WITH ECONMIN THAT HIGH

LEVEL OFFICIALS (INCLUDING MINISTER FRIDERICH) HAD DISCUSSED INVESTMENT WITH FORD THOROUGHLY. HE ALSO REMARKED THAT SAARBRURCKEN WAS IN THE COMPETITION.

4. COMMENT: IT IS UNCLEAR AS TO HOW MUCH PUSH BERLIN WAS GIVEN VIS-A-VIS SAARBRURCKEN. HOWEVER, TILT IN FAVOR OF UK AND IRELAND APPLIES AS AGAINST ALL GERMAN LOCATIONS. IT IS OPEN TO QUESTION WHETHER FRG SUPPORT OF BERLIN MAY BE DILUTED BY SAARBRURCKEN WE ARE UNABLE TO ASCERTAIN HOW MUCH CHANCE IS LEFT FOR BERLIN BUT MAJOR PUSH REPORTED IN BERLIN REPORTED IN REFTEL COULD BE IMPORTANT.

5. "DIE WELT" OF AUG. 20 CARRIES FRONT PAGE STORY ON POSSIBLE INVESTMENT IN BERLIN OF UNIDENTIFIED WELL-KNOWN AUTOMOBILE FIRM. ARTICLE REFERS TO POSSIBILITY THAT GOVERNING MAYOR STOBBE WOULD RAISE THIS QUESTION WITH PRESIDENT CARTER WHEN HE MEETS WITH HIM IN WASHINGTON.

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Review Markings:**  
Margaret P. Grafeld  
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